

**Personal Services Contract Pilot Program
HR Forum – Meeting Summary
11/14/03**

Agenda – Joi Simpson, DPA Program Coordinator, reviewed the purpose and conditions of the pilot program; the necessity and process for agencies to assess their contracting programs before granting personal services waivers, and how to handle pre-approvals on solicitations. Twenty-seven representatives attended the forum from 12 different agencies participating in the pilot program this fiscal year to discuss issues and their potential solutions.

Key Points – Several of the agencies did not fully understand the expectations surrounding the existing DPA approved program waivers and the agencies' ability to grant their own internal program waivers. The existing waivers had been extended until November 15, 2003, to give the participating agencies time to assess their contracting patterns and approve their own waivers. Some were unsure of the necessity to review their total contracting needs and be able to understand potential problem areas with waivers. Some also need more examples of waiver contents, the historical issues surrounding their types of contracts, and what the process should be for pre-approving solicitations. Questions also arose on the types of information being reviewed by DPA during the planned audits.

Major Agreements Reached – The following summarize the decisions made by the forum.

- Participating agencies need to assess and better understand their contracting needs and issues prior to issuing program waivers. They will need to document the assessment process they perform and furnish DPA/DHR a copy of the results of that analysis before they grant their own internal program waivers.
- When reviewing types and amounts of contracts to be included in an agency's internal program waiver, assessments should include, at a minimum: do the contracts always fall within approvable criteria; the extent and nature of any impact on the state personnel system; the amounts and types of contracted services; and the necessity for using personal services contracts.
- Agencies may immediately approve program waivers (without the requisite assessment) for the ten types of contracts listed in the pilot conditions and criteria, as shown in that document on the DHR website.
- For agencies desiring to continue their existing DPA program waivers, those will be extended through June 30, 2004, or whenever an agency grants their own waiver, whichever occurs first.
- All participating agencies will need to complete this assessment prior to July 1, 2004, or they will be faced with reviewing all personal services contracts thereafter.
- Agency program waivers must be approved/issued by the department HR administrator.
- The statewide forms cannot be modified; agencies were urged to submit recommended improvements or an electronic version to Joi.
- DPA will furnish participating agencies with: an example of a solicitation pre-approval document, a sample of content for program waivers (already on the DHR website), auditing standards and measures planned to be used (this is on the DHR website under "Human Resource Audits" and Personal Services Contracts).
- Historical issues with specific agency contracts can be obtained from Joi on an individual basis.

Future Meetings – The group expressed interest in continued meetings on a monthly basis, at least for the next three months, preferably at an outlying location to reduce travel and parking difficulties. CDOT, Ft Logan, and Red Rocks Community College volunteered to host future meetings on the second Friday morning each month. Potential agenda items should be forwarded to Joi at least one week in advance of the meeting. CDOT (Steve Chavez) announced that they would be developing an internal training process and others were invited to participate in that effort.

Next Meeting: Friday, Dec 12th. at Red Rocks Community College in room #2301, starting at 9:00 am. Probable agenda items include: pilot year-end evaluation tool and using a contract tracking system.

**Personal Services Contract Pilot Program
HR Forum – Meeting Summary
12/12/03**

Agenda – Items included two examples of agencies’ contract tracking systems, one agency’s efforts to manage their personal services reviews, the draft pilot evaluation methodology, and an open discussion period.

- Butch Friend, Pam Simmons, and Maggie VanCleaf reviewed DNR’s contract tracking processes. They use CLIN for all purchase orders and contracts. Their Human Resources section developed an in-house ACCESS database for keeping information on their personal services reviews. Interested parties can contact Pam Simmons or Mindy Elswick at 303.866.2667 for additional information on the ACCESS database.
- Yvonne Rico reviewed DPA’s EXCEL spreadsheet method of keeping track of their contracts. Their situation is somewhat unique in that they have a centralized contracts management function coordinated department-wide.
- Bob Cropp explained DOLE’s process for reviewing personal services contracts within their agency. Since they are very close (across the hall) from their purchasing and financial services sections, it’s easy to keep in close contact with them on a daily basis. They have a “same day” turn-around goal to review purchase orders and contracts from a personal services perspective. DOLE has virtually eliminated the use of temporary agencies for short-term needs as they use their Workforce Centers to supply their temporary manpower needs. They have a formal working agreement with those centers to have a three-day turnaround to meet their needs. This not only supports their statewide employment program but also saves them money by using temporary employees rather than independent contract workers from a temp agency that may have associated overhead costs. This working agreement with the Workforce Centers might be used by other state agencies for meeting most of their needs for temporary workers as a “Best Practice”. Agencies may contact Bob Cropp at 303.318.8207 for more information on setting up a working agreement with their Workforce Centers.
- Maryann Motza and Dean Conder, DOLE, reviewed the draft evaluation plan for the pilot program. Specific attention was made to the Key Questions and Evaluation Tests parts of the draft plan. One item offered for further consideration was including consistency of decisions being made by the participants in the pilot and DPA. Both presenters reminded the attendees that additional questions or items to be measured should be forwarded to them or Joi Simpson as soon as possible as baseline data need to be gathered soon. Maryann’s number is 303.318.8061 and Dean’s is 303.318.8060.

Other Questions/Items - On the question if agencies need a backup person to perform their personal services reviews, Joi’s response was yes, that was the assumption. Smaller agencies may have to make special arrangements for a backup. Joi also responded to a question on who should maintain the documentation files. It is not important who maintains them, but that they are maintained and can be readily retrieved for future audit purposes.

Next Meeting: Friday, Jan 9th. at Ft. Logan in room #B108, starting at 9:00 am. Probable agenda items include: additional DPA/DHR guidance on scope personal services contracts; discussions on the Modification form; signing CLIN forms; and criteria on independent contractor relationships.

Not part of the meeting, but DPA/DHR’s “THANKS” to those department representatives who shared their methods, systems, and ideas on how to manage their reviews and tracking processes. Good ideas are always worth sharing with others!

**Personal Services Contract Pilot Program
HR Forum – Meeting Summary
2/13/04**

Agenda – Items included a review of draft guidelines on relationships with independent contractors, suggested changes to the Personal Services Modification Form, signing CLI2 forms, and a check-in on departments' progress of granting internal program waivers.

- The group reviewed the drafts of guidelines to be used in monitoring relationships with independent contractors. Comments included a question on time limits for contracting the same services for a maximum of two years as that was sometimes too short, particularly on IT projects that frequently run 5-7 years. It was also noted that name tags were sometimes used to facilitate finding the person's office. It was suggested that some distinct identification be used to recognize them as contractors working on-site to distinguish them from permanent employees. Discussion seemed to focus on exceptions to the guidelines and they must be used in totality to insure the independent nature of the relationship is maintained. One suggested that a department's risk management section periodically review long-standing contractor relationships to identify measures that should be taken to reduce the risks of violating the independent relationship. DPA/DHR will continue to develop these guidelines with the advice of other stakeholders and disseminate these guidelines at a future date.
- Yvonne Rico, DPA/HRU, presented a draft revision to the Personal Services Modification Form based on previous forum requests for improvements. After several comments, questions, and suggestions, the group decided to make the appropriate changes. Yvonne will take additional suggested changes before 2/27/04 and then finalize the form. In general, the suggested changes appear to satisfy concerns about the form's usefulness, so the form will continue to be used.
- Joi Simpson reemphasized the need to properly sign the CLI2 forms; otherwise, contracts may get returned to agencies for proper signatures. All persons authorized by their department to sign the CLI2 form should forward their names by March 2, 2004, to Joi so that a current signature list can be created and accessed by the State Controller's Office. When HR staff approve purchase orders, some documentation should be kept with the purchase order to reflect that personal services review was accomplished when required. Agencies can decide specifically how to keep their documentation.
- Department internal waiver preparation – Current DPA Program Waivers will expire 6/30/04 and departments are assessing their needs for internal waivers under the pilot program. CDOT indicated they are about two-thirds of the way thru their analysis before establishing their own waiver. CDHS will start their assessment process this week. Sample waiver language is on the DPA/DHR website for personal services contract reviews for their use.
- Joi reiterated the need to send solicitations for personal services to DHR for pre-approval. This usually speeds the final approval process and can identify problem areas long before the contract signature deadlines.

Next Meeting – The next meeting is tentatively scheduled for Friday, March 12th at CDOT Region 6 Maintenance Conference Room (@Holly & Evans), starting at 9:00am. Potential agenda items include: further guidance on how to apply the "scope" criteria; update on the pilot evaluation tool being developed jointly by DHR and CDLE; further guidelines on independent contractor relationships; modification form revision; and update on Civil Service Reform.

Personal Services Contract Pilot Program
HR Forum – Meeting Summary
6/17/04

Agenda – Items included a check-in on what's working/not working; status of departments' preparation for issuing internal waivers; a review/discussion of the pilot evaluation; and an open discussion period. Eleven attendees from six different agencies attended; Dean Conder from CDLE was a guest for the pilot evaluation discussion.

- The check-in from the departments consisted of the process for attaching waivers to contracts; the need for signing the CLI2 screen and how to determine if program staff are applying the waivers appropriately.
- Joi reminded the agencies that their program waivers will expire July 1, 2004, so they need to have their internal waivers in-place by then or start reviewing all of personal services request. DNR's was just approved and several others are nearly ready. Joi clarified the format for internal waivers.
- The question of finding an alternative to attaching lengthy program waivers to each contract was discussed. The CATF had discussed the issue and are firm in their need to have the waiver attached to contracts routed through the central review process. Due to the length of some department's waivers (15+ pages), it will be acceptable to attach only the applicable waiver category page plus the signature-approval page. This should reduce the paper requirement. It was suggested that department HR contract approvers be permitted to access and sign the CLI2 page. This was not allowed previously, due to security concerns, but the request will be forwarded to CATF. Joi requested that any other alternatives be sent to her for consideration.
- The group reviewed the draft evaluation form with Dean Conder and offered a few suggestions. Due to the end of the fiscal year workload, the evaluation will be due July 15th. Dean will send the revised evaluation form to the participating departments next week. Each department should identify key staff to complete the questionnaire and forward to those identified individuals for completion. The questionnaire will be sent again in 3 months. Participants were urged to be accurate and frank in their responses on the questionnaire.
- The open discussion included a review of the process for amendments/modifications to contracts and obtaining the history of prior reviews; and whether DPA/DHR will continue to review scope and cost comparison purchases after the blanket waiver pilot is completed. Joi requested that departments consider how to proceed with personal services reviews between Oct 1 (pilot ends) and November 1st (decision date on continuing or ending the blanket waiver process). Attendees generally thought that continuing the pilot during that one month window as the best alternative due to anticipated confusion on which process was in effect and who was responsible for what.

Next Meeting – The next meeting is tentatively scheduled for **Thursday, August 19th from 2:00 – 4:00 p.m.** The location will be announced later. Volunteers for hosting the next meeting would be appreciated. Potential agenda items include: discussion on guidelines on independent contractor relationships; the review process during the 10/1 – 11/1 window; and an update on Civil Service Reform legislation that may affect personal services contract reviews after July 1, 2005.

**Personal Services Contract Pilot Program
HR Forum – Meeting Summary
9/10/04**

Agenda – Items included a check-in on what's working/not working; pilot program evaluation discussion; blanket waiver program implementation; and an open discussion period. Approximately fifteen attendees from seven different agencies attended; Dean Conder, Maryann Motza, and Catherine Johnson from CDLE were guests for the pilot evaluation discussion.

- The check-in from the departments consisted of the process for attaching waivers and modification forms to contracts when routing through the central review process. Departments must attach either a program waiver issued by the internal HR office, or HR professionals must sign the CLI2 form that is routed with the contract. Modification forms have created some confusion and staff has deemed this form is no longer necessary. DHR staff will modify the Certification for Personal Services Agreements form by adding a modification section. This way, there is only one form that will provide sufficient information for determining the approvable criteria for personal services contracts. Higher education departments will need to attach a program waiver or a memo from HR indicating personal services review has taken place (higher education does not use CLIN).
- Joi asked departments to please submit a list of HR staff that is authorized to sign off on personal services request by **9/30/01**.
- Maryann Motza, Dean Conder, and Catherine Johnson from Department of Labor & Employment presented findings on the evaluation of the pilot program. In general, departments participating in the pilot are supportive of the blanket waiver program and want it to continue as a permanent process for personal service contract review. It was agreed that additional evaluations were not necessary and DHR staff will put the plan together for implementing the blanket waiver process before October 2, 2004. It was suggested that DHR continue to have quarterly forum meetings to update departments on current processes and issues. DHR staff will take this under advisement. (Please see full evaluation report for further details.)
- On implementation of the new waiver process, it is expected to continue as established by the pilot process. DHR will send letters to departments in the pilot, confirming their continued participation beginning October 2, with instructions and waiver conditions. These letters should be sent out the last week of September. For departments that did not participate in the pilot, they will be grand fathered into the blanket waiver process as their current waivers expire.
- Joi gave a general summary of the intent of Civil Service reform related to personal services contracts and the events that will need to take place should the ballot initiative be approved by voters in November. As more information becomes available DHR staff will send out updates.
- During open discussion, Joi thanked everyone for their participation in the pilot and making this endeavor so successful.

Next Meeting – This was the final meeting.